

Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 10886 071247Z

56

ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 /093 W
----- 038371

R 011115Z JUL 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC 8682

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMCONSUL MILAN

AMCONSUL NAPLES

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

TREASURY DEPARTMENT WASHDC

LIMITED OFFICIAL USE ROME 10886

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJ: OSSOLA TO RESIGN FROM BANK OF ITALY

SUMMARY. BANK OF ITALY DIRECTOR GENERAL RINALDO OSSOLA
HAS OFFICIALLY CONFIRMED HIS PLAN TO RESIGN HIS POSTION IN
BANK OF ITALY (BOI), BUT HAS AGREED TO REMAIN ON THE JOB
FOR SEVERAL MONTHS IN VIEW OF CURRENT DIFFICULT ECONOMIC
SITUATION. END OF SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ROME 10886 071247Z

1. IN RESPONSE TO RUMORS PUBLISHED IN ITALIAN PRESS, BOI ISSUED COMMUNIQUE JULY 2 CONFIRMING THAT ON MAY 22 DR. RINALDO OSSOLA, DIRECTOR GENERAL OF BOI, INFORMED BOI GOVERNOR BAFFI OF HIS INTENT TO LEAVE THE BANK. IN OSSOLA'S COMMUNIQUE, HE EXPRESSED HIS ADMIRATION, ESTEEM AND FIRENDSHIP FOR GOVERNOR BAFFI AND DENIED ANY POLICY DISPUTES WITH GOVERNOR. OSSOLA SAID THAT THE REASON FOR HIS RESIGNATION WAS TO CONTRIBUTE TO RENEWAL OF BOI TOP-LEVEL OFFICIALS. OSSOLA WAS REFERRING, IN PART, TO RECENT RETIREMENT OF VICE DIRECTOR GENERAL ANTONINO OCCHIUTO, WHO WAS SUCCEDED BY CARLO CIAMPI. PRESS SPECULATES THAT SUCCESSOR TO OSSOLA MAY BE BOI'S OTHER VICE DIRECTOR GENERAL MARIO ERCOLANI.

2. COMMENT. OSSOLA'S ANNOUNCEMENT CAME AS A SURPRISE TO FINANCIAL COMMUNITY AND IS SOMEWHAT PUZZLING. TO EMBASSY KNOWLEDGE, THERE ARE, IN FACT, NO SIGNIFICANT DIFFERENCES OF VIEW ON POLICY QUESTIONS BETWEEN GOVERNOR BAFFI AND OSSOLA, WHO WORKED TOGETHER FOR MANY YEARS UNDER FORMER GOVERNOR CARLI. ALTHOUGH OSSOLA WAS MENTIONED AT THE TIME AS POSSIBLE CANDIDATE AS SUCCESSOR TO GOVERNOR CARLI IN 1975, HIS LONG INTERNATIONAL EXPERIENCE PROBABLY HURT HIS CANDIDACY SINCE HE HAD HAD RELATIVELY LITTLE EXPERIENCE ON DOMESTIC FINANCIAL AFFAIRS. IT MAY ALSO BE THAT BROADER RESPONSIBILITIES OF OFFICE OF DIRECTOR GENERAL, INCLUDING RESPONSIBILITY FOR DOMESTIC AFFAIRS AND FOR ADMINISTRATION OF THE BANK, HAVE BEEN LESS CONGENIAL TO OSSOLA THAN HIS PREVIOUS SPECIALIZATION IN INTERNATIONAL FINANCIAL MATTERS. OSSOLA TOLD EMBOFF THAT HE HAD HOPED TO LEAVE BOI IN JULY, BUT PRIME MINISTER MORO URGED HIM TO STAY ON UNTIL DECEMBER SINCE PRESENT LAME DUCK GOVERNMENT WOULD NOT BE ABLE TO NAME HIS SUCCESSOR AND SINCE ITALY'S CURRENT ECONOMIC SITUATION IS SO DIFFICULT. OSSOLA DAID THAT HE STILL HOPES TO LEAVE THE BANK SOME TIME BEFORE DECEMBER.

3. BOI STATEMENT ON OSSOLA'S RESIGNATION INDICATED OSSOLA'S DESIRE THAT TOP LEVEL OFFICIALS OF THE BANK BE PROMOTED FROM WITHIN THE PROFESSIONAL STAFF OF THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ROME 10886 071247Z

BOI. IF SUCCESSOR IS DRAWN FROM THE RANKS OF PRESENT BOI OFFICIALS, ERCOLANI WOULD BE A NATURAL CHOICE. ON OTHER HAND, IF STABLE NEW GOVERNMENT IS FORMED IN COMING MONTHS, IT MAY WISH TO SELECT CANDIDATE FROM OUTSIDE BANK WHO WOULD BE SEEN AS NATURAL SUCCESSOR TO BAFFI UPON BAFFI'S RETIREMENT. (BAFFI IS NOW 64 YEARS OLD, OSSOLA 62 YEARS OLD AND ERCOLANI 62 YEARS OLD.)

4. DR. OSSOLA TOLD EMBOFF THAT HE WAS PLANNING TO RUN FOR EUROPEAN PARLIAMENT IN 1978 AND WISHED TO HAVE TIME TO PREPARE HIS CAMPAIGN. ALTHOUGH OSSOLA HAS REPUTATION AS NON-POLITICAL TECHNICIAN, HE HAS BEEN ASSOCIATED TO SOME EXTENT WITH ITALIAN REPUBLICAN PARTY (PRI). VOLPE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, POLICIES, PERSONNEL RESIGNATIONS, BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ROME10886
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760261-0762
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760799/aaaadjnq.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by greeneet>; APPROVED <03 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OSSOLA TO RESIGN FROM BANK OF ITALY SUMMARY. BANK OF ITALY DIRECTOR GENERAL RINALDO OSSOLA
TAGS: EFIN, IT, BOI, BANK OF ITALY
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006